

Remarks

I. Introduction

This paper is filed in response to the final Office Action mailed October 7, 2008. A Request for Continued Examination is filed concurrent to this paper.

The specification is amended to add a brief description of Figure 17 on page 15 of the originally filed specification in the “Brief Description of the Drawings” section. Examples of support for the addition can be found in the originally filed specification on page 32, lines 19-23 and Figure 17.

In the amendments to the claims, claim 1 is amended and all withdrawn and previously pending claims (other than claim 1) are cancelled. Claims 57-74, including independent claims 70 and 74, are added. Examples of support for the amendments to claim 1 and new claims 57-74 can be found in the originally filed specification at the following:

- pg. 9, lines 2-12 and 18-23;
- pg. 11, lines 3-8 and 16-21;
- pg. 16, lines 3-9 and 19-23;
- pg. 17, lines 10-22;
- pg. 19, lines 12-17;
- pg. 20, lines 5-14 and 15-21;
- pg. 21, line 14 - pg. 22, line 9;
- pg. 23, lines 16-22;

- pg. 24, line 1 - pg. 26, line 19;
- pg. 28, lines 5-13;
- pg. 29, line 18 – pg. 30, line 6;
- pg. 31, lines 8-11;
- pg. 34, lines 19-22;
- pg. 36, lines 1-17; and
- Figures 1A, 1B, 1C, 2, 3A, and 6.

These designations are merely examples. Other portions of the originally filed specification, including the drawings, not explicitly identified may support the amendments to new claim 1 and one or more of new claims 57-74. No new matter is added by the present amendments. Upon entry of the amendments, claims 1 and 57-74 are pending. The Applicant traverses each of the objections and rejections. Reconsideration and allowance of all pending claims is respectfully requested in view of the remarks below.

II. Objection to Claim 1

The Office Action objected to claim 1 because of informalities. Claim 1 is amended to remove the informalities forming the basis of the objection. Withdrawal of the objection is kindly requested.

III. Section 101 Rejections

The Office Action rejected the previously pending claims under 35 U.S.C. § 101 by alleging the claimed invention is directed to non-statutory subject matter.

Although the Applicant disagrees that claim 1 was directed to non-statutory subject matter, claim 1 is amended to recite “the method being implemented on an incentive distribution system.” Accordingly, the Applicant submits that claim 1 and its dependents are patentable under Section 101. Withdrawal of the rejection is kindly requested.

IV. Section 103 Rejections

The Office Action rejected claims 1-4, 7-22, 25-34, and 53-54 under 35 U.S.C. § 103(a) as allegedly being obvious in view of U.S. Patent No. 5,689,100 to Carrithers (“Carrithers”) in view of U.S. Patent No. 5,649,114 to Deaton (“Deaton”). For the reasons set forth below, the Applicant respectfully traverses these rejections and requests their reconsideration and withdrawal

As best understood by the Applicant, the Office Action appears to have contended the following in its Section 103 rejection of claim 1:

- (1) Carrithers discloses receiving incentive information specifying at least one incentive or type of incentive, and providing incentives to customers based on the incentive information upon receiving the customer’s financial institution transaction data indicating the use of a debit card;
- (2) Carrithers does not disclose categorizing incentives into an incentive decile and selecting the desired incentive for a customer from a plurality of incentives based on the customer’s transaction level;

- (3) Deaton discloses distributing incentives that are coupons to customers based on purchase and demographic factors, such as factors that met predetermined criteria, dividing customers into two groups, and selecting incentives based on the customer groups;
- (4) Categorizing incentives into a “decile level” is a matter of desires; and
- (5) One of ordinary skill in the art would have been motivated to combine the disclosures of Carrithers with Deaton to:
 - a) track customer transaction activity through a merchant;
 - b) classify the customer into a group based on the transaction activity;
 - c) provide a number of points, that equates to an incentive level, to the customer using the transaction activity and customer group, when the customer uses the debit card at participating merchants while redeeming existing points;
 - d) define criteria that must be met by customers to receive a certain category of incentives; and
 - e) limit the merchant’s liability and encourage customer to buy more from merchant to increase the bottom line.

If Applicant’s general understanding of the rejection to claim 1 is incorrect, Applicant requests that the Office contact the undersigned to clarify Applicant’s understanding.

Even assuming the Office is correct in (1) its interpretation of the teaching of Carrithers, Deaton, and other art of record, and (2) that one of ordinary skill would have had reason to combine Carrithers and Deaton (neither of which the Applicant is conceding), the combination of Carrithers and Deaton fails to disclose or suggest each element recited in claim 1.

Applicant has reviewed Carrithers and Deaton and finds no disclosure or suggestion of:

“receiving incentive information from the at least one participant, the incentive information specifying at least one incentive matching a financial range limit associated with at least one of a plurality of decile levels;

receiving account transaction activity of a plurality of financial institution customers, the account transaction activity comprising account transaction data representing daily, monthly, and yearly account transaction activity associated with accounts of the plurality of financial institution customers at a financial institution;

analyzing the account transaction data representing daily, monthly, and yearly account transaction activity associated with accounts of the plurality of financial institution customers at the financial institution, wherein analyzing the account transaction data comprises:

determining a plurality of variations in the account transaction data;

associating each of the plurality of variations with one of the plurality of financial institution customers;

deriving an upper financial range from the plurality of variations in the account transaction data;

deriving a lower financial range from the plurality of variations in the account transaction data;

establishing a decile ranking dataset partitioned into the plurality of decile levels based on the upper financial range and the lower financial range, each of the plurality of decile levels being associated with the financial range limit determined from at least one of the upper financial range and the lower financial range;

categorizing each of the plurality of variations in the account transaction data into at least one of the plurality of decile levels; and

generating a financial range ranking for each of the plurality of financial institution customers associated with each of the plurality of decile levels based on the plurality of variations;

matching the at least one incentive to at least one of the plurality of financial institution customers based on the financial range ranking for each of the plurality of financial institution customers associated with the at least one of the plurality of decile levels matched to the at least one incentive; and

distributing the at least one incentive to the at least one of the plurality of financial institution customers matched to the at least one incentive," as recited in amended claim 1.

As a particular example, even assuming Deaton discloses categorizing customers into groups to determine the coupon value to provide to customers, it, and by definition the combination of Deaton and Carrithers, fails to teach or suggest a decile ranking dataset that is partitioned into a plurality of decile levels based on an upper financial range derived from a plurality of variations in the account transaction data of financial institution customers and a lower financial range derived from the plurality of variations in the account transaction data of the financial institution customers, where each decile level is associated with a financial range limit determined from at least one of the upper financial range and the lower financial range, which is not merely categorizing customers into groups or a matter of desires.

Moreover, one of ordinary skill in the art has no reason to combine the teachings of Carrithers with the teachings of Deaton and the Office Action failed to establish *prima facie* obviousness. To establish *prima facie* obviousness of a claimed invention under 35 U.S.C. § 103, the Office Action must show, either from the references themselves or in the knowledge generally available to one of ordinary skill in the art, that it would have been obvious under *Graham v. John Deere Co.*¹ to modify the references or to combine teachings in the references to arrive at the claimed invention. See MPEP § 2143; *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. ____, 82 U.S.P.Q.2d 1385, 1395-96 (2007). Such a showing requires Examiners to determine whether there was an apparent reason to combine elements in references and to articulate that reason explicitly. See *KSR Int'l Co. v. Teleflex, Inc.*, 82 U.S.P.Q.2d at 1596. The Office Action failed to articulate a reason.

¹ 383 U.S. 1 (1966).

It appears, because of its use of the word “motivated,” that the Office Action attempted to allege one of ordinary skill would have reason to combine Carrithers with Deaton because of a teaching, suggestion, or motivation in the art. The *Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the Supreme Court Decision in KSR International Co. v. Teleflex*, Federal Register, Vol. 72, No. 195, p. 57527, 34 (October 10, 2007) identify the findings Office personnel must articulate to reject claims on the basis of some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or combine prior art reference teachings. *Also see* MPEP § 2141 *et seq.* The findings include the following:

- (1) a finding that there was some teaching, suggestion, or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings;
- (2) a finding that there was a reasonable expectation of success; and
- (3) whatever additional findings based on the *Graham* factual inquiries may be necessary, in view of the facts of the case under consideration.

Examination Guidelines for Determining Obviousness, Federal Register, Vol. 72, No. 195, at pg. 57534.

Instead of articulating a teaching, suggestion, or motivation, the Office Action used hindsight bias to combine the teachings of Carrithers with the teachings of Deaton because it stated the reason for making the combination included functionality that would have been allegedly employed by one of ordinary skill in art should that person combine Carrithers with Deaton. The functionality available to one of ordinary skill in the art after that person combines reference teachings is not “some

teaching, suggestion, or motivation ... to combine reference teachings.” Instead it is a clear case of using hindsight bias to make a combination without any care to establishing why one of ordinary skill in the art would make a combination. Accordingly, the Office Action failed to articulate the first finding required to establish *prima facie* obviousness through a combination of reference teachings.

Moreover, the Office Action failed to even attempt to articulate any finding that there was a reasonable expectation of success. Thus, the Office Action failed to articulate the second finding required to establish *prima facie* obviousness through a combination of reference teachings.

Since the Office Action failed to articulate a teaching, suggestion, or motivation for why one of ordinary skill in the art would have combined the teachings of Carrithers with the teachings of Deaton and failed to even attempt to articulate any finding that was a reasonable expectation of success, the Office Action failed to establish *prima facie* obviousness.

At least because the Office Action failed to make the necessary findings to establish *prima facie* obviousness and, even if it there was a reason to combine the teachings of Carrithers with Deaton, the combination fails to disclose or suggest each claimed element, the Applicant kindly requests withdrawal of the rejection to claim 1.

V. New Claims 57-74

New claims 57-69 depend from and further limit claim 1. Reasons for allowance for claim 1 are provided above. For at least those same reasons, the

Applicant submits claims 57-69 are allowable. Claims 70-74 include elements that are similar to the elements forming the bases for allowing claim 1. For at least those same reasons, the Applicant submits claims 70-74 are allowable. Allowance of claims 57-74 is kindly requested.

Conclusion

The foregoing is submitted as a full and complete response to the Office Action of October 7, 2008. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. If the Examiner believes that there are any issues that can be resolved by a telephone conference, or that there are any informalities that can be corrected by an amendment, please call 404 745-2520.

Respectfully submitted,
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